

FISCAL NOTE

HB 68 – SB 244

February 15, 2007

SUMMARY OF BILL: Changes the implementation date for the Streamlined Sales Tax Agreement (SSTA) from July 1, 2007 to one year following the effective date of action taken by the U.S. Congress.

ESTIMATED FISCAL IMPACT:

Forgo State Revenues - \$31,500,000 - FY07-08

Forgo Local Govt. Revenues - \$41,500,000 - FY07-08

Assumptions:

- A study authored by the State of Washington was used to determine the voluntary compliance of non-nexus retailers.
- There are numerous offsetting state and local impacts associated with making Tennessee conform to the SSTA.
- According to the Department of Revenue (DOR), the net fiscal impact to local governments is estimated as \$41.5 million in forgone revenues for FY07-08.
- According to DOR, the net fiscal impact to the state is estimated as \$31.5 million in forgone revenues for FY07-08.
- The above estimated amounts of foregone revenues are expected to increase annually until Tennessee implements the SSTA.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director